

Panel Discussion - Fiscal Condition of the States

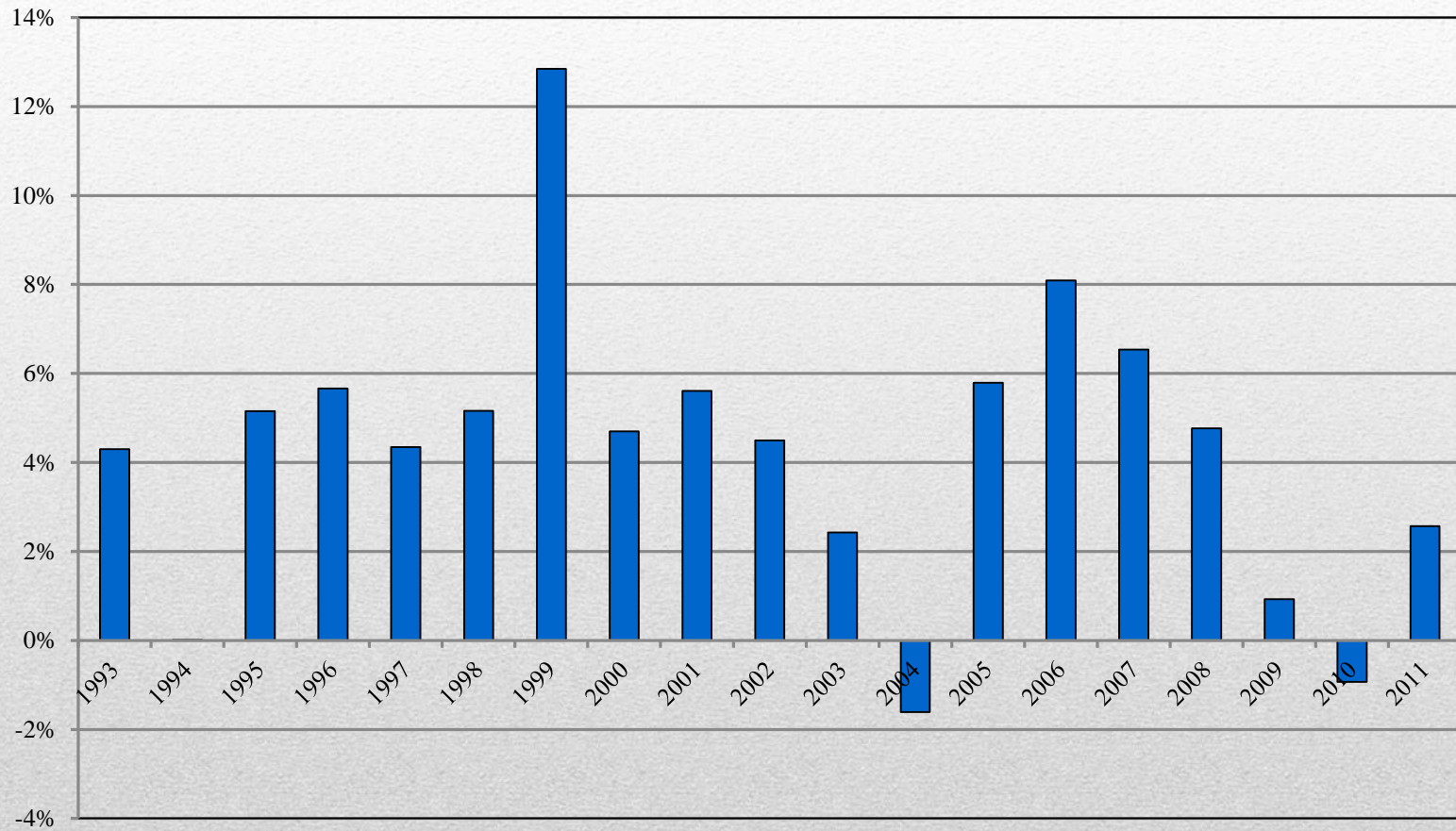
Presentation to the ABFM Conference

Gerry Oligmueller

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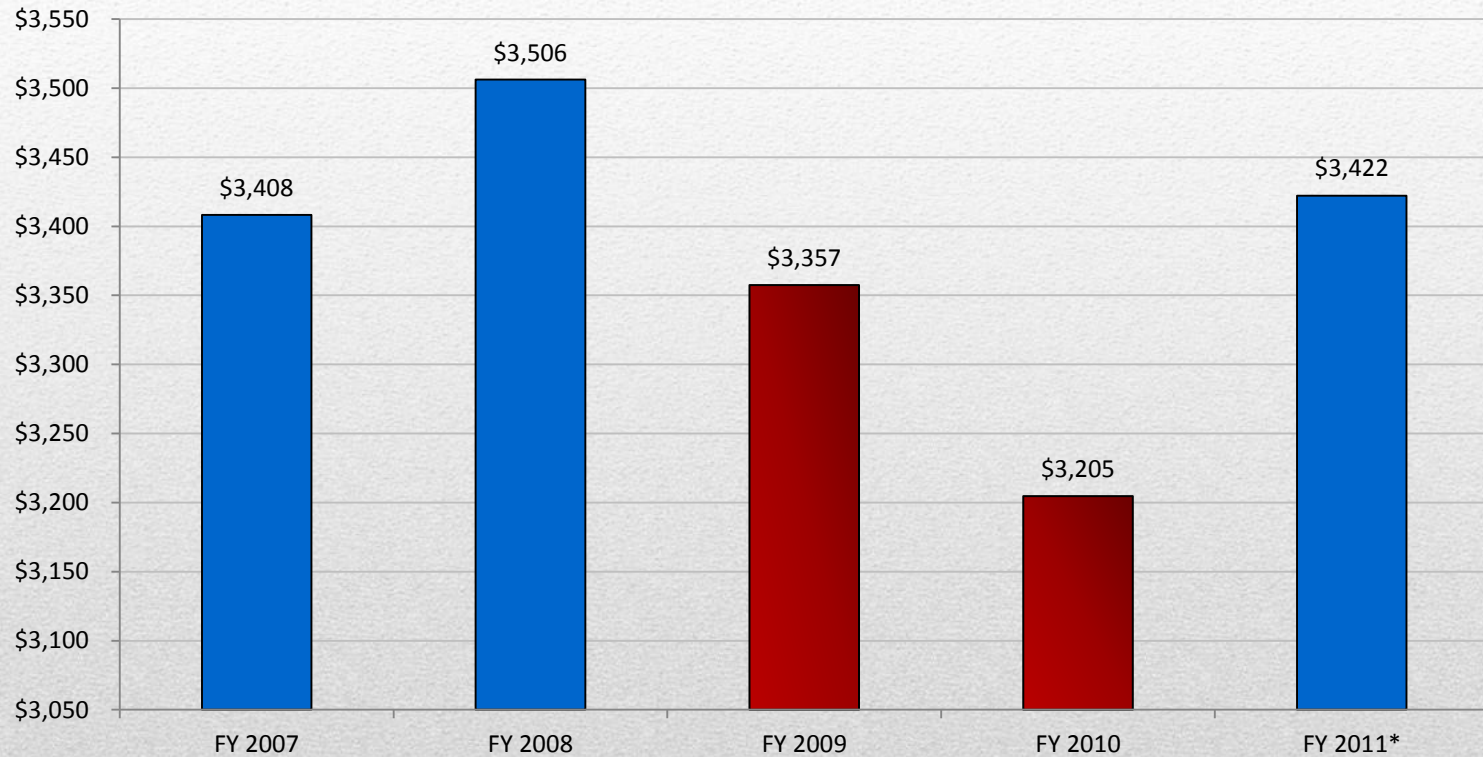
October 8, 2010

State of Nebraska
General Fund Appropriations
Annual % Change



State of Nebraska

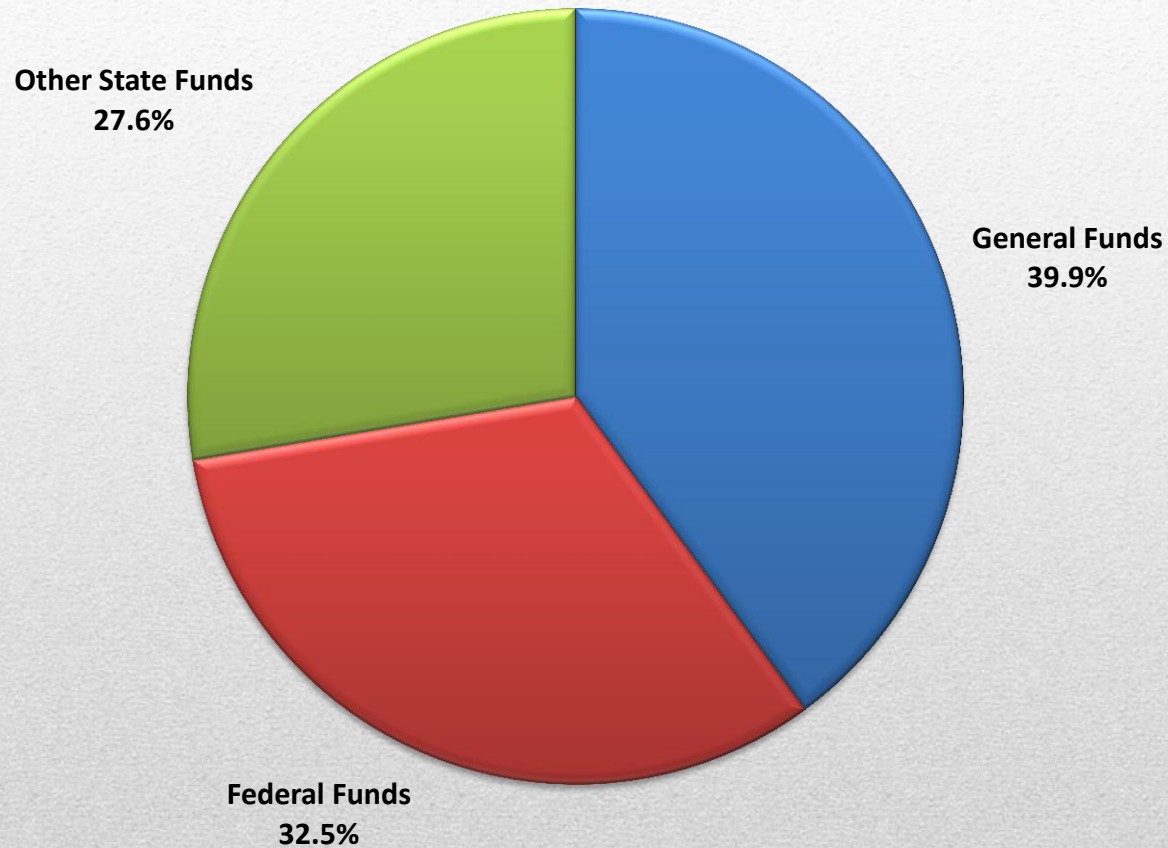
General Fund Revenue: FY 2007 - FY 2011 (in millions)



* FY 2007 through FY 2010 are actual. FY 2011 is projected.

State of Nebraska

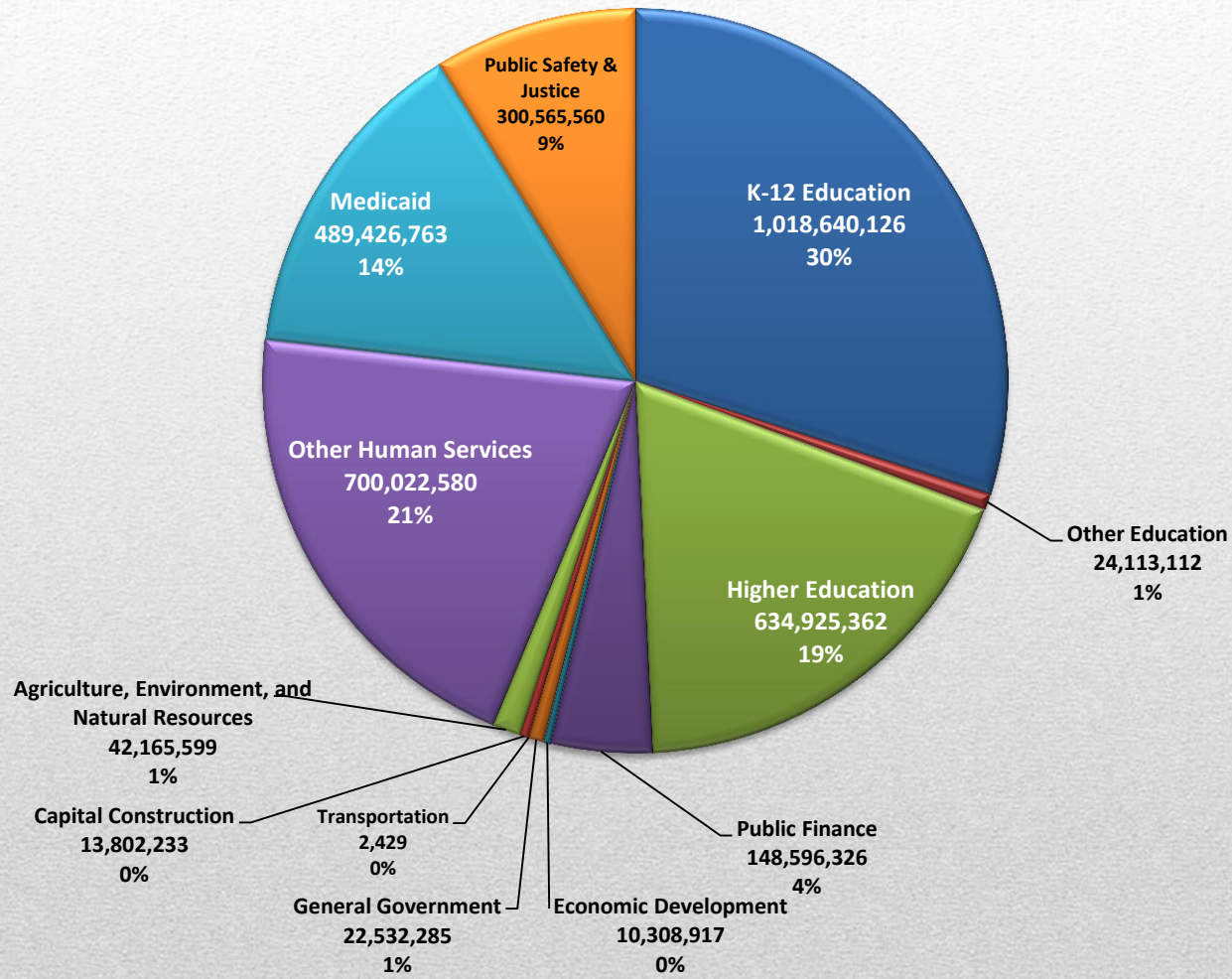
State Expenditures By Funding Source, FY 2010



State of Nebraska

FY2010-11 General Fund Appropriations

(Amount and Percent of Total)



Specific Differences

- Available Rainy Day Fund
 - Operating Reserve Requirement
 - Agreed Revenue Forecasts
 - Debt Financing
 - Annual or Biennial Budget
 - Leaders and Professionals
 - Process Integrity
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Budget Gap Strategy Cycle

- First up to bat are temporary or one-time solutions that delay difficult or adverse actions: borrow, lapse, or delay.
 - Second up to bat are deferral of decision making to executive branch administrators, aka across-the-board reductions or rescission authority.
 - Third up to bat are specific or targeted reductions.
 - Batting clean-up are fee and tax increases.
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Strategies Used to Reduce or Eliminate Budget Gaps, Fiscal 2010 and 2011

Strategies	FY 2010	FY 2011
User Fees	15	17
Higher Education Related Fees	10	8
Court Related Fees	14	10
Transportation/Motor Vehicle Related Fees	11	10
Business Related Fees	9	7
Layoffs	26	19
Furloughs	22	13
Early Retirement	6	2
Salary Reductions	12	12
Cuts to State Employee Benefits	9	11
Across-the-Board % Cuts	28	19
Targeted Cuts	36	35
Reduce Local Aid	22	20
Reorganize Agencies	14	18
Privatization	3	5
Rainy Day Fund	19	15
Lottery Expansion	2	5
Gaming/Gambling Expansion	3	14
Other (Specify)	22	18
Tax and Fee Increases (Net Positive)		17

Source: "The Fiscal Survey of States: June 2010," National Association of State Budget Officers.